

GOVERNMENT OF THE DISTRICT OF COLUMBIA

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OFFICE OF THE INSPECTOR GENERAL

717 14TH STREET, N.W., 5TH FL.
WASHINGTON, D.C. 20005
(202) 727-2540

November 17, 1998

Ms. Birdie M. McKay, Director
Program Compliance Division
Department of the Treasury
Financial Management Services
401 14th Street, SW, Suite 511
Washington, DC 20227

Subject: "Cash Management Improvement Act – FY 1996 Interest Liability Claim"
(OIG-5-99-9805)

Attached is a summary of the U.S. Department of Treasury's interest liability under the Cash Management Improvement Act (CMIA) awarded to the District of Columbia. This interest liability was calculated on the basis of the lapse between the date the District expended its funds to pay for qualifying CMIA expenditures, and the date the District was reimbursed for these expenditures by the U.S. Department of the Treasury. The CMIA requires that these calculations be made by the governmental entity claiming the interest costs. This submission supercedes the previous submission by the District and we believe it satisfies the District's CMIA requirements.

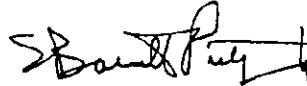
The Office of the Inspector General recalculated interest liability amounts due on the 38 programs identified in the Cash Management Improvement Act Agreement between the District of Columbia and the Secretary of the Treasury.

Our review identified a Federal interest liability in the amount of \$1,189,255.06. The enclosure summarizes the results of our calculation. The supporting documentation for our calculation will be sent under separate cover. Our documentation consists of copies of the District's Summary of Actual Revenues and Expenditures by Funding Source, and corresponding reconciliations, schedules of cash draws by agency, noting the date of the request for reimbursement for expenditures and the date of receipt of draws, and interest calculation sheets.

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Should you have any questions or need additional information, please contact me at the number above or John N. Balakos, Assistant Inspector General for Audits, at (202) 727-9749.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Barrett Prettyman, Jr.", with a stylized flourish at the end.

E. Barrett Prettyman, Jr.
Inspector General

Enclosure

Summary Of Grant Information

<u>Count</u>	<u>CFDA No.</u>	<u>Program</u>	<u>1996</u>	<u>rec Bal</u>
1	10.555	National School Lunch Program	157,994.53	28,795.49
2	10.557	Special Supplemental Food Program - WIC	41,526.37	89,110.21
3	10.558	Child and Adult Food Care Program	19,555.14	6,607.42
4	10.561	Food Stamp Program	11,618.32	59,969.24
5	14.182	Section 8 New Construction	-	-
6	14.218	Community Block Development Grant	-	-
7	14.230	HOME	-	-
8	14.852	Comprehensive Improvement Assistance Program	-	-
9	14.855	Section 8 New Construction	-	-
10	14.856	Section 8 New Construction	-	-
11	14.857	Section 8 New Construction	-	-
12	16.003	Law Assist Enforcement - COPS MORE	-	-
13	16.300	Law Assist Enforcement - Police Training	-	-
14	17.207	Employment Service	-	-
15	17.225	Unemployment Insurance	-	-
16	17.250	Job Training Partnership Act	-	-
17	20.205	Highway Planning and Construction Program	-	-
18	66.483	Const Grants for Wastewater Treatment	-	-
19	84.010	Title I for Local Educational Agencies	44,590.88	(11,419.22)
20	84.027	Special Education P.L. 94-142	(7,828.23)	4,921.17
21	84.041	Impact Aid-Maintenance and Operations	-	-
22	84.126	Basic Support - Rehabilitation Services	44,855.05	85,464.14
23	93.118	HIV Prevention Project	28,008.28	7,135.73
24	93.560	Family Support Payments to States - AFDC	12,442.81	-
25	93.561	Job Opportunities and Basic Skills Training Program	25,143.02	37,040.62
26	93.563	Child Support Enforcement	(14,002.76)	16,405.84
27	93.568	Low Income Home Energy Assist Program	1,974.08	10,857.02
28	93.969	Community Services Block Grant	43,104.33	11,540.65
29	93.600	Head Start	4,867.27	1,715.03
30	93.658	Foster Care Programs	-	-
31	93.667	Social Services Block Grant	(43,859.38)	20,091.26
32	93.778	Medical Assistance Program (Medicaid)	197,351.90	120,451.65
33	93.915	HIV Emergency Relief	20,839.91	86.42
34	93.926	Healthy Start Initiative	45,786.39	1,025.92
35	93.959	Substance Abuse and Preventive Treatment Services	92.89	14,954.04
36	93.994	Maternal and Child Health Block Grant	30,501.57	8,031.87
37	96.001	Social Security - Disability Insurance	7,086.70	11,742.49
38	96.006	Supplemental Social Security Income	(6,921.00)	-
			<u>\$ 664,728.07</u>	<u>\$ 524,526.99</u>

- 1.) Interest rate of .0524 was used for FY 96 calculations, and .0518 for FY 96 receivable balances which were recovered in FY 97. These are the established US Treasury annualized rates.
- 2.) Interest was calculated on all receivable balances reported at the end of FY 96 through January 31, 1997.
- 3.) All expenditures were assumed to be paid on the 15th of the month they were reported on the FMS 430 Report.
- 4.) If more than one draw was received in the same month, interest was calculated on paid expenditures from the 15th of the previous month, to the average date the next draw was received.
- 5.) For CFDA 93.560, interest was calculated on the number of days outstanding for all related revenue source codes of request for reimbursement to the date the draw was received.
- 6.) For CFDA 93.778, interest was calculated on the administrative costs associated with the program outstanding from the date incurred to the date received. For all other related revenue source codes, interest was calculated from the number of days of request for reimbursement to the date the draw was received.
- 7.) Interest liability was not calculated on the programs identified in the CMIA Agreement as exempt.
(No.'s 5, 8, 9, 10, 11, 18, and 30.)